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17 June 1965

MEMORANDUM FOR: Director of Central Intelligence

**SUBJECT: Points for DCI's Discussion with
Secretary Vance**

1. The outstanding issues which have developed between CIA and the NRO and/or the Air Force are:

a. The need for an arrangement through which the DCI can participate, with the Deputy Secretary of Defense, in decisions relating to the allocation of funds and the approval of important programs. This was the responsibility contemplated for the Executive Committee.

b. The question of how the DCI and the intelligence community are going to ensure that the orbital plans for satellite reconnaissance operations are designed to provide coverage in accordance with intelligence priorities. This was the purpose behind the proposal to relocate the Satellite Operations Center (SOC) in Langley.

c. The role appropriate for CIA in the research, development and production phases of new reconnaissance systems. It has generally been the position of the Agency that CIA should play a role in the invention, selection and development of new systems. Acting on this principle, the Agency has developed a component under DD/S&T with competence for this mission. It is argued that this component should be responsible for development and production (as well as conceptual design) for systems, for a number of reasons:

NRO review(s)
completed.

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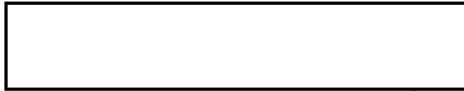
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(1) CIA is the most important user of the product of the system and the only agency exclusively concerned with intelligence, and therefore able to be completely impartial.

(2) The Agency record in the development and production of new systems, sometimes in the face of determined DOD opposition, has been impressive.

(3) Funds are expended for the production of these systems under the DCI's unique authority to spend money on an unvouchered basis, for reasons of security and flexibility. Since his authority is being used, at least some of the programs should be administered under his direct control.

(4) If CIA (and/or the DCI) is to have any responsibility for the effectiveness and efficiency of systems development in the reconnaissance field, the necessary staff must be available to establish independent judgments on a continuing basis concerning the most effective programs. Unless CIA is given more than a technical advisory responsibility, it will be impossible to maintain a staff with appropriate qualifications.

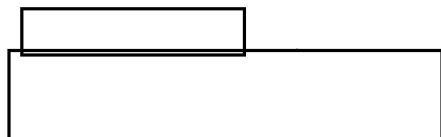
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2. The CIA arguments in 1. c. above are based to some degree on the analogy of the  Program under which the Navy developed a payload which is put into orbit by the Air Force on an Air Force booster. This arrangement in fact has worked on the CORONA program.

Opposition to CIA participation in the development and production of payloads is based on arguments to the effect that CIA is trying to build an empire in space and partly on grounds of organizational tidiness. Alternatives to the kind of arrangement we

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have proposed are allocation of this responsibility to the Air Force, which would then become the single instrument of reconnaissance, or to a new agency to be created under the Defense Department (or elsewhere).

3. The rest of this memorandum discusses a number of items which are illustrative of the principal issues outlined above, and require decisions, either within the framework of a new NRO or ad hoc between the DCI and the Secretary of Defense. It should be noted that action on many of these items has been intentionally postponed for as much as six months or more, pending reorganization of the NRO.

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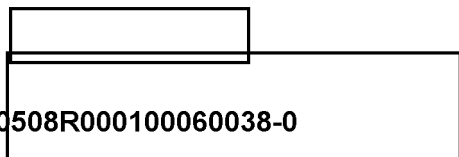
4. NRP Budget - FY 1966: In July 1964 CIA submitted Agency budget estimates for FY 66 which totaled approximately [redacted] in NRO programs for which CIA is responsible. CIA has recently requested an apportionment for FY 66 of funds for the NRP to fund projects for which CIA is responsible in an amount which is slightly less than [redacted]. Between July 1964 and the present date, the D/NRO eliminated approximately [redacted] from the CIA estimates. As far as I can make out, this amount was eliminated without any consultation with the elements of CIA responsible. Dr. McMillan, in a personal communication to the DCI on this subject, conveys the impression that CIA is now asking for [redacted] more than the original estimate. It is true that some of the items which CIA now wishes to fund are different than the items enumerated in the original request. The aggregate amount, however, is approximately the same. This whole subject of the FY 66 budget raises a number of issues, of which two are particularly important:

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a. There is the question of the procedure for reviewing and approving all items in the NRP. In our opinion this should be the responsibility of the Executive Committee of the NRO which should act on the basis of a staff analysis by NRO of all projects comprehended in the NRP and after listening to the proposals and comments of individual agencies.

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b. Dr. McMillan is right in asserting that the total appropriation for the NRP is limited [redacted] This was the figure used in the presentation to the Appropriations Committee of Congress. It does not necessarily follow that the [redacted] deficit should be entirely made up at the expense of CIA projects. At least two of these are activities of considerable importance and should not be rejected or curtailed unilaterally by the D/NRO.

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One is ISINGLASS (follow-on to OXCART) for which approximately [redacted] has been requested. Nobody questions the need for such very high performance follow-on to the OXCART and the only question is how and where to produce this capability. It should not be postponed or suppressed for lack of funds.

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The other important project is [redacted] [redacted] for which [redacted] was requested. Here again, there were sharp differences of opinion but the agreement between Mr. McCone and Mr. Vance was, as I understood it, that a final decision would be made whether to proceed or not to proceed with [redacted] after a review of specific tests. This project and others should be reviewed at the Executive Committee level before apportionments of the FY 66 budget can be authorized. If [redacted] is inadequate to fund these and other priority intelligence programs, additional funds should be sought elsewhere, if necessary through a supplemental appropriation. On this point, I think that the concluding paragraph of Dr. McMillan's letter is misleading. It is not my personal impression that either committee of Congress wanted to effect reductions in the budget at the expense of reconnaissance programs, especially those conducted by CIA.

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3. OXCART. Initial plans for the redeployment of OXCART vehicles have been discussed. Ultimately it will be necessary

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[REDACTED]

to decide the issue of long-term responsibility for OXCART (and other covert overflight operations conducted in manned aircraft). This, in my opinion, should definitely not be done except in the context of an over-all renegotiation of the NRO.

4. NEW GENERAL SEARCH SYSTEM. You are aware of the status of the current review of these systems by Dr. Land. It will be necessary at some time to reach agreement, acting on the basis presumably of technical advice from the PSAC Reconnaissance Panel, and cost-effectiveness considerations, as to which system to carry into the final testing stage.

5. CORONA Management. The history of the CORONA (General search satellite) project is long and extremely confusing. The project was authorized by the White House and CIA was assigned responsibility in April 1958 for development and procurement of the reconnaissance payload, camera film, recovery vehicle and spacecraft. I was advised by the President of Itak as early as 1961 that the Air Force was making every possible effort to eliminate CIA's control of this program. Many of the subsidiary disputes over relations with the individual contractors must be read against this background. The basic issue is whether CIA shall continue to be responsible for the CORONA payload. This decision, however, should be made on the basis of principle and not as a result of piecemeal erosion in both contractual and operational fields of the CIA position. A parallel question is whether the Aerospace Corporation, acting for the Air Force, should provide systems engineering and technical direction for the entire CORONA payload.

A specific point at issue arises from Dr. McMillan's letter to the DCI of 14 June 1965, in which he states that Lockheed technical support to the CIA payload integration and test facility (Advanced Projects) in Palo Alto should be contracted for by the Air Force. General Carter had directed CIA to continue to contract for this service as it is an essential support ingredient to the agency responsible for the payload, i. e., CIA. Lockheed has held off signing either contract for the past nine months, taking the position that it is up to the Government to decide who is in charge of the Advanced Projects facility and systems integrations activity. Dr. McMillan has now directed Lockheed to sign the Air Force contract and you have refused to go along with that decision.

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In his letter, McMillan asserts that Mr. McCone agreed to granting Aerospace such a role. Mr. McCone and General Carter both have denied that they made any such agreement. General Carter wrote Mr. Vance on the 28th of August 1964 specifically stating:

"... we have no record of discussions regarding this proposed contractual change.

Mr. McCone dissented from the proposal that Aerospace be given a contract as Systems Manager in lieu of the current related contract with Lockheed."

The point here is that future responsibility for the management and control of the CORONA payload must be established as a matter of principle. Such issues as selection of the contractor appropriate for systems engineering or technical direction of a given program should be made by the responsible agency and not preoccupy the time of officials at the level of the Executive Committee of the NRO.

6. Satellite Operations Center (SOC). As of last April there appeared to have been general agreement between the Secretary of Defense and the DCI that the SOC should be relocated in Langley and operate under the control of the DCI. Originally it was in Langley but in April of 1963 it was moved to the Pentagon. The purpose of this center is to provide operational targetting and camera programs in accordance with USIB requirements, for existing reconnaissance photographic systems. It has not so far provided this service for  although it has functioned for CORONA and ARGON. We have recently been advised of NRO proposals to create a capability equivalent to that of the SOC on the West Coast. This would appear to be needlessly duplicative of the SOC which should remain as one of the principal instrumentalities through which intelligence controls over the satellite reconnaissance program are maintained.

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/s/ John A. Bross *per TAP*

JOHN A. BROSS
D/DCI/NIFE

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